UNITED STATES DEPARTMENT OF JUSTICE OFFICE OF THE UNITED STATES TRUSTEE JUDY A. ROBBINS UNITED STATES TRUSTEE KEVIN M. EPSTEIN TRIAL ATTORNEY 615 E. Houston, Rm. 533 P.O. Box 1539 San Antonio, TX 78295-1539 Telephone: (210) 472-4640

Fax: (210) 472-4649

UNITED STATES BANKRUPTCY COURT WESTERN DISTRICT OF TEXAS EL PASO DIVISION

MOTION OF THE UNITED STATES TRUSTEE TO DISMISS CASE

THIS PLEADING REQUESTS RELIEF THAT MAY BE ADVERSE TO YOUR INTERESTS.

IF NO TIMELY RESPONSE IS FILED WITHIN TWENTY ONE (21) DAYS FROM THE DATE OF SERVICE, THE RELIEF REQUESTED HEREIN MAY BE GRANTED WITHOUT A HEARING BEING HELD.

A TIMELY FILED RESPONSE IS NECESSARY FOR A HEARING TO BE HELD.

TO THE HONORABLE H. CHRISTOPHER MOTT UNITED STATES BANKRUPTCY JUDGE:

COMES NOW, JUDY A. ROBBINS, THE UNITED STATES TRUSTEE for Region 7 ("UST"), through the undersigned counsel, pursuant to 11 U.S.C. § 1112(b) and respectfully moves for an order to dismiss the case and represents as follows:

- 1. On April 27, 2009 the debtors filed a voluntary petition for relief pursuant to Chapter 11, Title 11 of the United States Code.
- 2. On April 8, 2010, the debtors filed their plan of reorganization. On May 10, 2010, they filed their amended plan of reorganization (the "Amended Plan").
- 3. On June 17, 2010, the court confirmed the debtors' Amended Plan. An order confirming the Amended Plan was entered on July 13, 2010. The order confirming the Amended Plan provided that the debtors would timely file any required post-confirmation reports.
- 4. Under section 1112(b) of the Bankruptcy Code, the Bankruptcy Court shall convert a case to chapter 7 or dismiss a case, whichever is in the best interest of the estate, if the movant establishes cause, unless the Court finds unusual circumstances that establish that conversion or dismissal of the case is not in the best interest of creditors and the estate. 11 U.S.C. § 1112(b).
- 5. In this case, cause exists dismiss this case. The debtors have filed no operating reports in this case since May 2010. The debtors are delinquent on a Monthly Operating Report for June 2010 and owe Post Confirmation Reports for the 3rd Quarter 2010, 4th Quarter 2010, and 1st Quarter 2011.
- 6. "Timely and accurate financial disclosure is the life blood of the Chapter 11 process." *In re Berryhill*, 127 B.R. 427, 433 (Bankr. N.D. Ind. 1991). Because monthly operating reports are the means by which the creditors, the Court, and the United States Trustee can monitor a debtor's operations, the failure to file monthly operating reports by itself constitutes sufficient cause to warrant dismissal of this chapter 11 case. 11 U.S.C. § 1112(b)(4)(F); *Roma Group, Inc. v. Office of the United*

States Trustee (In re Roma Group, Inc.), 165 B.R. 779, 780 (S.D.N.Y. 1994) (failure to file monthly operating reports "undermines the Chapter 11 process and constitutes cause for dismissal or conversion").

- 7. In addition, pursuant to Section 1112(b)(4)(N), a material default by debtors with respect to a confirmed plan provides cause to dismiss a case. Here the failure to file the reports as required under the order confirming the plan is a material default. Therefore, cause exists to dismiss the case. Moreover, because the debtors have not filed their post-confirmation reports, the UST does not know whether they are complying with their obligations under the Plan. If the debtors have not complied with other provisions of the Plan, those failures would provide additional cause to dismiss the case.
 - 8. For all the foregoing reasons, the case should be dismissed.

WHEREFORE, the UST prays that the Court enter an order dismissing this case and for any and all further relief as is equitable and just.

Respectfully submitted,

JUDY A. ROBBINS UNITED STATES TRUSTEE REGION 7

By: /s/Kevin M. Epstein
Kevin M. Epstein
Trial Attorney
Texas Bar No. 00790647
615 E. Houston St., Room 533
P.O. Box 1539
San Antonio, TX 78295-1539
(210) 472-4640
(210) 472-4649 Fax
E-mail: kevin.m.epstein@usdoj.gov

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing MOTION OF THE UNITED STATES TRUSTEE TO DISMISS CASE, was served by electronic means for all Pacer system participants and/or by first class mail, postage prepaid, to all parties listed the Service List on this the 29th day of April, 2011.

/s/ Kevin M. Epstein Kevin M. Epstein Trial Attorney Label Matrix for local noticing Doc#133 Filed 04/29/11 Entered 04/29/11 15:40:43 Main Document Pg 5 of

Case 09-30881-hcm Western District of Texas

0542-3

El Paso Fri Apr 29 13:55:15 CDT 2011

AT&T
Attn: Bankruptcy Dept

Salt Lake City, UT 84157

Alicia Rojas 105 Thoroughbred

EL PASO, TX 79997-1040

P.O. BOX 971040

Santa Teresa, NM 88008-9130

Alicia Rojas and Francisco Jayme c/o Lane C. Reedman

4171 North Mesa Street, Suite B-201

El Paso, TX 79902-1431

P O Box 740933

Dallas, Tx 75374-0933

Ascension Capital Group, Inc. Attn: Onyx Acceptance Corp Dept.

P.O. Box 201347

P O Box 57907

Arlington, TX 76006-1347

BAC Home Loans Servicing, L.P. 7105 Corporate Drive

PTX-B-35

Plano, TX 75024-4100

BAC Home Loans Servicing, L.P. Polk, Prober 7 Raphael A Law Corportation 20750 Ventura Boulevard, Suite 100 Woodland Hills, CA 91364-6207

Bill Issac 5880 Kingfield Ave El Paso, TX 79912 Capital One Auto Finance 3901 N Dallas Pkwy Plano, TX 75093-7864 Carlos Mata 5019 Alabama

El Paso, TX 79930-2601

Citi Attn: Centralized Bankruptcy

PO Box 20507 Kansas City, MO 64195-0507 City of El Paso
El Paso Tax Assessor/Collector

PO Box 2992 El Paso, TX 79999-2992 City of El Paso c/o David G. Aelvoet 711 Navarro, Suite 300 San Antonio, TX 78205-1749

City of El Paso Tax Assessor Collector c/o Linebarger, Goggan Blair & Sampson 711 Navarro, Ste. 200

711 Navarro, Ste. 200 San Antonio, TX 78205-1711 City of El Paso Tax Assessor/Collector P. O. Box 2992

El Paso, TX 79999-2992

Countrywide Home Lending Attention: Bankruptcy SV-314B PO Box 5170 Simi Valley, CA 93062-5170

Credit Management 4200 International Pwy Carrolton, TX 75007-1912 Dona Ana County Jim D. Schoonover, Treasurer Property Tax Assessor 845 N. Motel Blvd. Las Cruces, NM 88007-8100 Dona Ana County Treasurer David Gutierrez, Treasurer 845 N. Motel Blvd Las Cruces, NM 88007-8100

El Paso Area Tchrs Fcu 12020 Rojas Dr El Paso, TX 79936-7711 El Paso Area Teachers Federal Credit Union c/o Carlos A. Miranda III, P.C. 5915 Silver Springs, Bldg. 3A El Paso, TX 79912-4126 El Paso Area Teachers Federal Credit Union Attn: Linda Aldeis, Collections Manager 12020 Rojas Drive El Paso, Texas 79936-7711

Hector Phillips, P.C. 1017 Montana Avenue El Paso, Texas 79902-5411 Hudspeth AD c/o David G. Aelvoet 711 Navarro, Suite 300 San Antonio, TX 78205-1749 Hudspeth Appraisal District P. O. Box 429 Sierra Blanca, TX 79851-0429

(p)INTERNAL REVENUE SERVICE CENTRALIZED INSOLVENCY OPERATIONS PO BOX 7346 PHILADELPHIA PA 19101-7346 Javier Francisco Jayme 105 Thoroughbred Santa Teresa, NM 88008-9130 Joe Jesse Monge 51 Sierra Crest Dr. El Paso, TX 79902-1928 Kevin Epstein 09-30881-hcm Doc#133 Filed 04/29/11 Entered 04/29/11 15:40:43 Main Document LPg 6 of United States Trustee P. O. Box 1027

Sioux Falls, SD 57101-1027 San Antonio, TX 78295-1539

132 West 31st Street 14th Floor New York, NY 10001-3406

Lease Financial Groupl 233 N Michigan Ave Ste 1 Chicago, IL 60601-5502

P.O. Box 1539

Los Ranchos Del Rio Property Owners Assoc. P. O. Box 2914 SUNLAND PARK, NM 88063-2914 Margarita Maria Mata Flores 5019 Alabama El Paso, TX 79930-2601

Military Star Attention: Bankruptcy PO Box 650062 Dallas, TX 75265-0062 New Century Mortgage Corporation c/o BAC Home Loans Servicing, LP 7105 Corporate Drive PTX-B-35 Plano, TX 75024-4100

Onyx Acceptance Corp (Serviced by Capital On P.O. Box 201347 Arlington, TX 76006-1347

Onyx Acceptance Corp, c/o Ascension Capital P.O. Box 201347 Arlington, TX 76006-1347

Pablo Aguirre Jr. 1012 Chiricahua Dr. El Paso, TX 79912-1267 Recovery Management Systems Corporation 25 S.E. 2nd Avenue, Suite 1120 Miami, FL 33131-1605

Rosana Elena Monge 51 Sierra Crest Dr. El Paso, TX 79902-1928 Sitework Engineering 444 Executive Center, Ste. 134 El Paso, TX 79902-1030

Southwest Credit Systems, L.P. 5910 W Plano Parkway, Suite 100 Plano, TX 75093-2202

Speesoil Inc. 3600 Esper Drive El Paso, TX 79936-1373 State Farm Lloyds 8900 Amberglen Blvd. Austin, TX 78729-1193

State of New Mexico Taxation and Revenue Department PO Box 8390 Santa Fe, NM 87504-8390

State of New Mexico Taxation and Revenue Department P.O. Box 8575 Albuquerque, NM 87198-8575

601 Comanche Rd. N.E. Albuquerque, NM 87107-4103 U.S. Attorney FHZ/HUD/VA/IRS 601 N.W. Loop 410, Suite 600 San Antonio, TX 78216-5512

United States Trustee - EP12 U.S. Trustee's Office 615 E. Houston, Suite 533 P.O. Box 1539 San Antonio, TX 78295-1539

Vacation Break Resorts & Club Star Island Condominium Association P. O. Box 850001 Orlando, FL 32885-0001

Verizon Wireless 15900 Se Eastgate Way Bellevue, WA 98008-5757

Verizon Wireless West Verizon Wireless PO Box 3397 Bloomington, IL 61702-3397

Wyndham Vacation Resorts P. O. Box 3630 Boston, MA 02241-3630

(p)WYNDHAM CONSUMER FINANCE INC P O BOX 97474 LAS VEGAS NV 89195-0001

Wyndham Vacation Resorts, Inc. 10750 W Charleston Blvd Ste 130 Las Vegas, NV 89135-1049

Sidney J. Diamond 3800 N Mesa B-3 El Paso, TX 79902-1535

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The preferred mailing address (p) above has been substituted for the following entity/entities as so specified by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g)(4).

INTERNAL REVENUE SERVICE INSOLVENCY OFFICE 300 E.8TH ST. M/S 5026AUS AUSTIN, TX 78701 (d)IRS - Special Procedures Staff
Stop 5022 AUS
300 E. 8th Street
Austin, TX 78701

Wyndham Vacation Resorts P. O. Box 98940 Las Vegas, NV 89193-8940

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

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